CAMBODIA COUNTRY REPORT 2015

Presented by Mr. Sung Bonna

September 2015
PART I: CAMBODIA ECONOMICS
OVERVIEW
Since 1999

DEVELOPMENT PROJECT IN PHNOM PENH
I. POPULATION GROWTH

Based on this statistic show that in average the population growth approximate 11%.

To compare between 2015 and 2010 the population growth in Cambodia increase around 10%.

In Phnom Penh increased around 32% in 2015 compared to 2010 and around 9% compared to 2008.

Total Population in Cambodia: 15,394,276

Phnom Penh: 1,445,902

Source: Ministry of Planning

Data as of: April 2015
II. CAMBODIA GDP GROWTH RATE

- In 2015 as an estimation the GDP will be growth approximately 7% again due to the expansion of garment manufacturing, construction, and services in particular tourism, finance and real estate services.

GDP Growth Rate

Source: ADB
Data as of: September 2015
III. FOREIGN DIRECT INVESTMENT (FDI)

- Regarding to the report from the Council for Development of Cambodia found that FDI of first three months 2015 (approximately 2,872.7 million USD) has increased 5 times compared to the same period of 2014 (approximately 446 million USD).

Capital Investment Q1 2015: 2,872.7 million USD
Number of Project Investment: 37 Projects
Source: CDC
IV. NUMBER OF TOURIST ARRIVAL

- Due to the report from Ministry of Tourism of Cambodia in 2014 number of tourist increase around 7% compare to 2013 which contribute approximate 2.7 billion USD (Increased 7%) to GDP of Cambodia.
- For six months of 2015 number of tourists have arrived Cambodia approximate 2.3 million tourists increased around 4.6% compared the same period in 2014.

Source: Ministry of Tourism, Cambodia
Data as of June 2015
Since 1999

NUMBER OF BUILDING & FLOORS

- In 2015, the building which approve to construct from 5-9\textsuperscript{th} floor increase approximate 30% while the huge amount of building construction from 20-29\textsuperscript{th} floor increase approximate 600% compare to 2014.
- For 2\textsuperscript{nd} Quarter 2015 the total capital investment equal 808 million USD.

Average Percentage Changed 63%

Source: Ministry Land Management Urban Planning and Construction Data as of Q1 2015

Capital Investment
- Due to Report from NBC in Cambodia has 36 commercial banks, 11 Special Banks, 41 MFIs.

- As of June 2015 total loan for real estate sector approximately 2,021.83 million USD which consist of Housing Loan approximately 699.09 million USD, Construction Loan approximately 889.41 million USD and related to real estate activities approximately 433.33 million USD with an average interest 11.2% per annum for USD currency.

Source: National Bank of Cambodia
Data as of Jun 2015
PART II: REAL ESTATE OVERVIEW IN CAMBODIA
OFFICE SPACE

- The estimation of total current supply for 2015 approximately 300,000 sqm increased approximately 15% compared to the same period 2014. If everything stability the total supply in 2018 will be increase up to 345,000 sqm.
- Average increase annually around 10%.

Data as of March 2015
Since 1999

• In 2015, the Grade “A” office has been supply around 27% in the market while Grade “B” supply around 71% and Grade “C” around 2%.

• For 2015 the supply on Office Grade “A” increased around 10% compare to 2014 while Grade “B” declined around 10% and Grade “C” still remain unchanged.
OFFICE SPACE (CON’T)

Comparing Rate between Q1 2015 to Q1 2014:

- Grade A: 11% increased
- Grade B: 17% Increased
- Grade C: 20% increased

Average Percentage Changed 48%

(The price per sqm include VAT but it is not include management fee)

Data as of March 2015
OFFICE SPACE (CON’T)

- To compare between Q1-2015 with Q1-2014 the occupancy rate has been declined about 4%.
- There some reasons for declining occupancy rate:
  - Large amount of supply
  - Move out to independent building
  - Increasing renting price

Data as of March 2015
- Total Supply 2015: Approximately 370,000 sqm
- Total Supply 2014: Approximately 350,000 sqm
- Average Percentage approximate 5% increased
- The total supply also included the Constructed building around 14 retail.
- Just an estimation in 2018 the retail will increase approximate 900,000sqm with projects 27 projects
- Based on research study show that rental fee has been declined in average 20% due to large amount of supply as well as the price competition between new comer and existing retail on the market.
- The market price of renting has been change at the low level in order to attract more tenants.
- However, in range of rental fee still get the high gap between low price and high price in to 2015.

### Rental Price for Retail

<table>
<thead>
<tr>
<th></th>
<th>Range Price 2015</th>
<th>Range Price 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Min</td>
<td>$7</td>
<td>$16</td>
</tr>
<tr>
<td>Average</td>
<td>$12</td>
<td>$30</td>
</tr>
<tr>
<td>Max</td>
<td>$18</td>
<td>$43</td>
</tr>
</tbody>
</table>

(Data as of March 2015)

(The rental fee will be change based on the location of the store and class of retail)
Since 1999

RETAIL (CON’T)

- Occupancy rate 74% in 2015 while in 2014 Occupancy rate 80% declined around 6%

- There are some factors made occupancy rate to be declined such as:
  - Increasing Supply on the Market
  - People expected on the quality of product due to living standard growth.
  - Customers need modernization of facilities and good design.

Data as of March 2015
Since 1999

APARTMENT

- Year 2015, Total Supply 5,500 Units
- Year 2014, Total Supply 4,400 Units
- Year 2013, Total Supply 3,600 Units

Average Annually Percentage Changed 20%

- Khan Chamkarmon is a leading supply among other Khan in Phnom Penh around 50% of total supply.

Data as of June 2015

Supply by Location

<table>
<thead>
<tr>
<th>Location</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chamkamorn</td>
<td>60%</td>
<td>50%</td>
</tr>
<tr>
<td>Daun Penh</td>
<td>40%</td>
<td>30%</td>
</tr>
<tr>
<td>Toul Kork</td>
<td>10%</td>
<td>5%</td>
</tr>
<tr>
<td>7 Makara</td>
<td>5%</td>
<td>2%</td>
</tr>
<tr>
<td>Chroy Chong...</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Sen Sok</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Mean Chey</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Russey Keo</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Dangkor</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Since 1999
Since 1999

APARTMENT (CON’T)

Average Rental Price in 2015

<table>
<thead>
<tr>
<th></th>
<th>Studio</th>
<th>1 Bed</th>
<th>2 Beds</th>
<th>3 Beds</th>
<th>Penthouse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade A</td>
<td>$1,450.00</td>
<td>$1,625.00</td>
<td>$2,175.00</td>
<td>$2,500.00</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Grade B</td>
<td>$1,050.00</td>
<td>$1,150.00</td>
<td>$1,625.00</td>
<td>$1,750.00</td>
<td>$2,250.00</td>
</tr>
<tr>
<td>Grade C</td>
<td>$525.00</td>
<td>$650.00</td>
<td>$1,050.00</td>
<td>$1,600.00</td>
<td>$1,650.00</td>
</tr>
</tbody>
</table>

Average Rental Price in 2014

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Grade A</td>
<td>$1,450.00</td>
<td>$1,625.00</td>
<td>$2,200.00</td>
<td>$2,750.00</td>
<td>$4,600.00</td>
</tr>
<tr>
<td>Grade B</td>
<td>$1,050.00</td>
<td>$1,325.00</td>
<td>$1,750.00</td>
<td>$2,550.00</td>
<td>$2,350.00</td>
</tr>
<tr>
<td>Grade C</td>
<td>$512.00</td>
<td>$875.00</td>
<td>$750.00</td>
<td>$1,250.00</td>
<td>$1,750.00</td>
</tr>
</tbody>
</table>

Data as of June 2015

- To compared rental price between 2015 with 2014 it has been declined around 3%.
- For Grade “A” rental price still remain unchanged in average.
- For Grade “B” rental price has declined around 10% while Grade “C” increased around 8%.
- Factor to make rental fee declined:
  - Increasing amount of supply
  - More competitive with Condominium after completed construction.
  - Price competition among the market.
Since 1999

APARTMENT (CON’T)

Data as of June 2015

2015 Occupancy rate 92%

2014 Occupancy rate 93%

Average Percentage Changed -1%.

Anyways for these three consecutive years, the occupancies rate of Apartment still 90% to 95%
• Due to the large amount of starting construction project in 2014 approximately 14 projects, for 2015 approximate 22 projects has been launched to sale.

• Based on this starting in average for one project spent around 3 to 4 years to completed. It effect to the amount of the supply in 2017 and 2018 around 3 times to compare with current amount of supply (approximately 3,600 units in 2015).

• In average increasing by year around 50% for annually. In 2018 condominium increase up to 15,000 units.
- Due to our observation found that Khan Chamkarmon and Toul Kor is the leading area in condominium development follow by Khan Chroy Chang Va and Sen Sok.

Data as of June 2015
Since 1999

CONDOMINIUM (CON’T)

Project Completed by Grade

Grade A: 22% Increased

Grade B: -26% Decreased

Grade C: 61% increased

Average Percentage Changed 57%

(Compared between 2015 and 2014)

Data as of June 2015
Average Market Price for Primary Market:
- CBD: Min: $1,200/sqm, Max: $4,100/sqm,
  Average $2,400/sqm
- Outskirt: Min $800/sqm, Max: $2,500/sqm,
  Average: $1,300/sqm
(Compared between 2015 and 2014)
- Based on the interview with sellers of the projects found that sale result of the project still remaining good it approximately 69% in 2015 sold out it has been declined around 3% compared to the same period 2014.

- Factor make sale result good:
  - Regulation of Cambodia allow foreigner to buy condominium from the fist floor up.
  - Low interest and supporting loan from developers and some banks.
  - High expectation of advantage from ASEAN Economic Integration for Cambodia.
  - Very good on method of payment.

![Sale Result on Condominium Project](image)

**Average Percentage Changed -3%**

Data as of June 2015
Since 1999

- Regarding to survey found that in average for these 2 years number of projects increase around 20% per year.
- By number of houses increased in average around 30% for these 2 years.
- The total supply of 2015 is approximately 47,000 houses increased approximate 15% compare to 2014 approximate 41,000 houses.
BOREY

- Outskirt city is the most popular to construct Borey.
- Khan Sen Sok and Russey Keo still the leading location for construction Borey for comparing market supply by location.
- Around 25% construct in Sen Sok and 18% in Russey Keo, 16% in Chbar Ampov in 2015.

Data as of September 2015

*Borey is a type of compound flat or villa which provide good securities and other infrastructures.*
Since 1999

BOREY (CON’T)

Data as of September 2015

2013: 75% Sold Out
2014: 77% Sold Out
2015: 81% Sold Out

Average Percentage Changed 5% Increased
LAND MARKET PRICE

- In 2014, the land market price in average for the whole year increase approximately 5% to 10% if we compare from quarter to quarter.
- Certainly the land market price in the 1st quarter 2015 approximately increased about 30% for Commercial and 45% for Residential compared to the same period of 2014.
In the first quarter 2015 compared to the end of 2014 the land market price approximately increase in average 5% and it seem to be stable in the 2nd quarter 2015 (about 2% to 3% increased).
Since 1999

This market price is not for shop lot land, it is flexible according to the location, size, road and situation.

#99, Sangkat 4, Preah Sihanouk City, Preah Sihanouk Province.

LEGEND
- Commercial
- Residential
Since 1999
រួចរុករជញ្ជូនឬ! Thank You